UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/49/369
8 September 1994

ORIGINAL: ENGLISH

Forty-ninth session
Item 101 of the provisional agenda*

INTERNATIONAL DRUG CONTROL

Implementation of General Assembly resolution 48/112

Report of the Secretary-General

CONTENTS

		Paragraphs	Page
INTRODUCTION		1 - 3	2
I.	WORLD-WIDE TRENDS IN ILLICIT TRAFFIC AND TRANSIT IN NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES	4 - 8	2
II.	SWAPPING DEBT FOR ALTERNATIVE DEVELOPMENT IN THE AREA OF INTERNATIONAL DRUG ABUSE CONTROL	9 - 12	3
III.	ECONOMIC AND SOCIAL CONSEQUENCES OF DRUG ABUSE AND ILLICIT TRAFFICKING IN NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES	13 - 18	4

* A/49/150.

94-35481 (E) 031094 051094

/...

INTRODUCTION

1. In section VI of its resolution 48/112 of 20 December 1993, entitled "International action to combat drug abuse and illicit production and trafficking", the General Assembly requested the Secretary-General to report to it at its forty-ninth session on the implementation of the resolution.

2. The present report covers section II of the resolution, concerning international action to combat drug abuse and illicit trafficking. Chapter I of the present report deals with the Assembly's request that the United Nations International Drug Control Programme (UNDCP) analyse world-wide trends in illicit traffic and transit in drugs. In chapter II the progress made by UNDCP in developing the concept of swapping debt for alternative development is described and in chapter III studies carried out on the economic and social consequences of drug abuse and illicit trafficking are reviewed.

3. It should be borne in mind that the large variety of items included in resolution 48/112 are closely related to subjects dealt with in other resolutions adopted by the General Assembly. Therefore, in order to avoid undue repetition, activities undertaken to promote and monitor the United Nations Decade against Drug Abuse, 1991-2000, experience gained in implementing the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 (E/CONF.82/15 and Corr.2) (referred to in sect. II, paras. 3 and 5, of resolution 48/112), the implementation of the Global Programme of Action adopted by the General Assembly at its seventeenth special session, devoted to the question of international cooperation against illicit production, supply, demand, trafficking and distribution of narcotic drugs, and the United Nations System-Wide Action Plan on Drug Abuse Control (referred to in sects. III and IV respectively of resolution 48/112) are covered in separate reports of the Secretary-General (A/49/317 and A/49/345).

I. WORLD-WIDE TRENDS IN ILLICIT TRAFFIC AND TRANSIT IN NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES

4. In section II, paragraph 8, of its resolution 48/112, the General Assembly requested UNDCP in its report on illicit traffic in drugs to analyse world-wide trends in illicit traffic and transit in narcotic drugs and psychotropic substances, including methods and routes used, and to recommend ways and means for improving the capacity of States along those routes to deal with all aspects of the drug problem.

5. In accordance with its practice in previous years, the Commission on Narcotic Drugs considered trends in illicit drug traffic in its general debate and through the reports of its subsidiary bodies, namely the regional meetings of heads of national drug law enforcement agencies and the Subcommission on Illicit Drug Traffic and Related Matters in the Near and Middle East. The report of each subsidiary body contains a section on the current situation and an analysis of trends in illicit drug traffic in the region. The reports of those meetings are supplemented by the analysis of the world situation by region

that is included in the annual report of the International Narcotics Control Board.

6. At the meeting of a subsidiary body, ad hoc working groups are established to discuss and analyse the most pertinent issues facing drug law enforcement agencies in the region. Issues discussed at meetings held in 1993 and 1994 included emerging trends in illicit traffic, methods of concealment and variations in routes used, along with the introduction of improved methods of cooperation between the enforcement agencies of different States and the introduction and effective use of new investigation techniques, especially those highlighted in the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988. In addition, such practical contacts often lead to the conclusion of memoranda of understanding or the reinforcement of existing ones. This in turn permits the immediate sharing of problems between neighbouring States and a search for common solutions, and institutionalizes arrangements for joint operations.

7. Discussions in working groups lead to the formulation of practical recommendations, which are primarily addressed to States in the regions to encourage them to deal with problem areas and develop more effective enforcement methods and cooperation among themselves. To ensure effective monitoring and follow-up, the subsidiary bodies review the degree of implementation of recommendations adopted at previous meetings, and participants report on action that has been taken. Working groups meeting in 1993 and 1994 made recommendations on the use of controlled delivery in cross-border investigative cooperation, concerted efforts in precursor control, the improvement of cross-border controls, the assessment of drug law enforcement training needs, future trends in illicit drug traffic and possible countermeasures, money-laundering, measures to enhance regional drug law enforcement cooperation to counter the activities of major trafficking groups, and problems in combating illicit drug traffic and associated activities.

8. The analysis of the latest trends in the region and the recommendations adopted by the subsidiary bodies are before the Commission at each of its annual sessions. If no meeting of a subsidiary body has been held between two sessions of the Commission, UNDCP submits a report based on the analysis of information available to it. In preparing such a report, particular attention is paid to transit routes whenever such data are available.

II. SWAPPING DEBT FOR ALTERNATIVE DEVELOPMENT IN THE AREA OF INTERNATIONAL DRUG ABUSE CONTROL

9. In section II, paragraph 11, of resolution 48/112, the General Assembly took note of the initiative of UNDCP to study the concept of swapping debt for alternative development in the area of international drug abuse control and requested the Executive Director to inform the Commission on Narcotic Drugs of any progress made in that area.

10. In 1991, UNDCP took the initiative of developing the concept of a "debt-for-drugs" swap, aimed largely at converting the official bilateral debt of heavily indebted producer countries into local currency debt, the servicing

of which would be set aside in a national fund for alternative development, to be used specifically for the financing of alternative development activities in the area of drug control. The Commission on Narcotic Drugs took note of the initiative at its thirty-fifth session, and by its resolution 2 (XXXV) 1/ recommended the Executive Director to take further steps to study the initiative taken by UNDCP and to submit to it a progress report on the subject at its thirty-sixth session. In his report on the activities of UNDCP in 1992 (E/CN.7/1993/3), the Executive Director provided the Commission at its thirty-sixth session with information on the work being done to refine the concept of the debt-for-alternative-development swaps. Such efforts included UNDCP participation in the Expert Group Meeting on the Conversion of Official Bilateral Assistance and in consultations held with the World Bank and one Latin American Government.

11. The debt-for-alternative-development swap can be regarded as a new form of financing drug control projects, because debt can be converted into alternative development, which in turn enables Governments to tackle, through alternative development projects, national issues of economic development such as income generation, rural infrastructure and agricultural development. A review of the experience indicates that the use of such swaps can emphasize high-priority issues at the national and international levels. Those swaps can also serve as catalysts for larger shifts in the priorities of debtor Governments or in the priorities of donor agencies and countries. Given favourable publicity, the multiplier effect in local currency of donor or creditor efforts and the assurance that the creditor's contribution will be channelled into high-priority spending, debt-for-development swaps may also encourage additional foreign exchange inflows that would not otherwise have entered the country.

12. UNDCP is examining proposals for engaging in debt conversion and is currently exploring the possibility of financing a project of integrated development from a debt reduction scheme. Furthermore, in the context of system-wide coordination in matters of drug abuse control, UNDCP has also sought to develop further the links with international financial institutions and regional development banks, while recognizing that the ultimate decision rests with recipient States. At its thirty-seventh session, the Executive Director reported to the Commission on efforts made in that regard and strong support was expressed for UNDCP initiatives aimed at establishing a dialogue with the international financial institutions, particularly the World Bank and regional development banks, so that they might include a drug control dimension in their overall lending and programming policies. In that connection, it was emphasized that Governments should stress the drug control dimension more consistently in the governing bodies of international agencies, in order to achieve the necessary degree of inter-agency cooperation and coordination.

III. ECONOMIC AND SOCIAL CONSEQUENCES OF DRUG ABUSE AND ILLICIT TRAFFICKING IN NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES

13. In section II, paragraph 16, of its resolution 48/112, the General Assembly recommended to the Commission on Narcotic Drugs that it consider, at its thirty-seventh session, the world-wide research study on the economic and social consequences of drug abuse and illicit trafficking prepared by the United

Nations Research Institute for Social Development in conjunction with the report of the Executive Director of UNDCP on the economic and social consequences of drug abuse and illicit trafficking, and that it consider including this issue as an item on its agenda.

14. The economic and social consequences of drug abuse and illicit drug trafficking were initially treated by the General Assembly in its resolution 44/142 of 15 December 1989. The Commission on Narcotic Drugs examined the issue at its thirty-fifth session, 2/ when reviewing the recommendations of the Intergovernmental Expert Group to Study the Economic and Social Consequences of the Illicit Traffic in Drugs (E/CN.7/1991/25), together with the Executive Director's comments on the Group's recommendations and his proposals for follow-up action (E/CN.7/1992/11).

15. The report of the Intergovernmental Expert Group (A/C.3/45/8) was devoted largely to the availability of reliable data as a basis for estimating the economic and social consequences of drug trafficking, and to the problem of money-laundering. The Expert Group unanimously agreed that it was imperative for the United Nations to develop a comprehensive, unified information system, which would include reliable data on the illicit drug trafficking chain. In his comments on the recommendations of the Expert Group, the Executive Director expressed the view that the Expert Group had underestimated the complexity and difficulty of the task envisaged. He stressed that efforts even at the national level to institute similar systems had not met with overwhelming success on such a broad set of data (E/CN.7/1992/11, sect. III, para. 16). The Commission concurred with the Executive Director that the problems related to data collection were extremely complex and would not be easy to solve.

16. Efforts have been made by UNDCP to explore the issue further. Work with a major research institution in the United States of America focused on the identification of areas of UNDCP activity where the collection, analysis and dissemination of drug-related data could be improved. In addition, UNDCP, in consultation with the World Bank, has carried out a study on the illicit opiate industry and its impact on the national economy of a country in Asia, which investigates the dimensions of the illicit opiate industry and gauges its effect on incomes and income distribution, foreign exchange earnings and exchange rates, money-supply growth and inflation, savings and investment, and government finances. That study is currently being reviewed with the Government concerned, and UNDCP and the World Bank are encouraging a discussion of the situation by potential donor countries that will participate in the next consultative group sponsored by the Bank. Collaboration between the World Bank and UNDCP on similar studies is already under way, specifically with reference to the major cocaine-producing countries in the Andean region. Outlines have already been developed for two such studies, one in Asia and the other in Latin America.

17. UNDCP also completed a discussion paper on drugs and development, which was transmitted to the Administrator of the United Nations Development Programme as a basis for strengthening substantive working ties between the two organizations in that area. The focus in the paper was on the linkages between drug abuse and underdevelopment and new elements were highlighted in the reciprocal relationship between economic reform in the developing world and the illicit

drug phenomenon. In addition, a multi-agency examination of the social and economic impact of drug abuse and control was prepared by UNDCP, in which the social and economic impact of drug abuse was examined from a broad international perspective and ways suggested of approaching drug abuse prevention and control issues in a constructive, coordinated manner. Both papers will be presented at the World Summit for Social Development, to be convened at Copenhagen on 11 and 12 March 1995.

18. In addition to the activities outlined in the preceding paragraphs, and further to the specific recommendation of the General Assembly referred to in paragraph 13 above, the Commission on Narcotic Drugs considered at its thirty-seventh session the inclusion of the issue of the economic and social consequences of drug abuse and illicit traffic as an item on its agenda. The Commission decided to defer detailed consideration of the subject until its next session. When examining the provisional agenda for the thirty-eighth session, several speakers emphasized the importance of considering the issue in the context of the Commission's general debate, which would also allow for policy guidance to be given to UNDCP with respect to further action required on the subject. 3/ The Commission concurred and the provisional agenda for the thirty-eighth session now reflects that position.

Notes

1/ See Official Records of the Economic and Social Council, 1992, Supplement No. 5 (E/1992/25), chap. XI, sect. A.

2/ Ibid., chap. VI.

3/ Ibid., 1994, Supplement No. 10 (E/1994/30), chap. VIII, para. 161.